

DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 02-0363
IFTA
For the Years 1998 and 1999

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ISSUES

I. IFTA—Record Keeping

Authority: IFTA P560.100; P560.200; P560.300. P530.100; IC 6-8.1-10-1(e); IC 6-8.1-5-1(b); IC 6-8.1-10-2.1.

Taxpayer protests that it should receive an increase in tax paid credit.

STATEMENT OF FACTS

Taxpayer is protesting for an increase in the tax paid credit. Specifically, the taxpayer argues that it should receive an increased credit for Ohio tax paid fuel. The Department contends that the taxpayer has not presented correct and sufficient records to allow an increase in the tax paid credit.

I. IFTA—Record Keeping

DISCUSSION

Indiana is a member of the International Fuel Tax Agreement ("IFTA"). IFTA rules P560.100 provide that—

Retail purchases must be supported by a receipt or invoice, credit card receipt, automated vendor generated invoice or transaction listing, or microfilm/microfiche of the receipt or invoice. Receipts that have been altered or indicate erasures are not accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid.

Furthermore, IFTA P560.200 and P560.300 state the following:

Receipts for retail fuel purchases must identify the vehicle by the plate or unit number or other licensee identifier, as distance traveled and fuel consumption may be reported only for vehicles identified as part of the licensee's operation. [P560.200]

An acceptable receipt or invoice must include, but shall not be limited to, the following:

- .005 Date of purchase;
- .010 Seller's name and address;

- .015 Number of gallons or liters purchased;
- .020 Fuel type;
- .025 Price per gallon or liter or total amount of sale;
- .030 Unit numbers; and
- .035 Purchaser's name [P560.300, parenthetical omitted]

Additionally the IFTA agreement has recordkeeping requirements. For instance, P530.100 states in part that "Failure to maintain records ... may result in an assessment...."

With the IFTA requirements in mind, we can now turn to the taxpayer's argument. Taxpayer describes in correspondence its position:

Most of [Taxpayer's] assessment was generated from the fuel usage in the State of Ohio. We have previously paid the assessment unrelated to Ohio purchases. The vehicles that are used in Ohio stay in Ohio. The fuel that they use is either from a bulk fuel storage tank that we have in Ohio and pay fuel tax in Ohio or from using Fleet Fueling cards at gas stations within Ohio.

And further:

We were not given any credit for tax paid on diesel fuel purchased in Ohio on our credit cards. The Fleet Fueling cards were used exclusively in Ohio and I have previously submitted the monthly Fleet Fueling statements showing the diesel fuel purchased including locations and monthly financial statements showing that the fuel purchased was indeed expensed to our Ohio division. *When fueling our equipment, our foremen wrote their pickup trucks number on the receipts regardless if they were fueling their pickup, backhoe, dump truck, etc. Our pickup trucks run on gasoline not diesel fuel so obviously diesel fuel was purchased for other equipment. I believe tax paid credit should be granted on the Fleet Fueling credit card purchases because it is reasonable that the diesel fuel was consumed by our equipment. (Italics added)*

The Department's position is that a fuel receipt with specific verification that the fuel was placed into a subject vehicle is needed to receive the tax paid credit. The Department determined the financial summary sheets the taxpayer provided were incomplete and not sufficient.

As noted by the IFTA language quoted earlier, IFTA requires a receipt or invoice that is vehicle specific (hence the "unit number" requirements). Taxpayer did not do this, therefore taxpayer is not entitled to an increase in tax paid credit.

Taxpayer also mentions towards the end of a letter to the Department that it would like penalties and interest abated. Interest cannot be waived by statute (IC 6-8.1-10-1(e)), and the taxpayer, who bears the burden of "proving the proposed assessment is wrong" under IC 6-8.1-5-1(b) has not developed any arguments on the penalty assessed per IC 6-8.1-10-2.1.

FINDING

Taxpayer's protests are denied.